FINANCIAL DEPARTMENT.

To—The Deputy Commissioners, Treasury Department, of all districts, and Officer in charge of the State Huzur Treasury, Bangalore.

Circular No. 2118—*B. & R.* 116-24, *dated 6th August* 1909.

TRUST INTEREST FUND PAYMENTS.

It having been observed in the course of audit of the Trust Interest Fund Vouchers that interest is drawn on other than the prescribed forms and that for want of complete information the payments made are misclassified in the accounts, the Comptroller has the honor to request that the following procedure, which is intended to prevent such confusion and to secure better check and scrutiny, may in future be adopted for the payment of interest on the Pronotes held in trust in this office:—

(i) The Payment Orders issued by this office (the form of which has been revised) will themselves be presented for payment at the Treasury instead of separate receipts as at present and the payment acknowledged by the parties on the orders themselves. These Payment Orders will be sent to the parties concerned *through* the countersigning officer as soon as the interest on the securities held in trust is realized, the Treasuries at which payment is to be made being simultaneously advised of their issue.

(ii) On receipt of the advice the Treasury Officer shall enter it in a Check Register of Payment Orders (new Form Fl. 219).

(iii) When the Payment Order is presented for encashment a reference will be made to the Check Register and when paid it will be entered in the Register of Payment Orders cashed in the Treasury (new Form Fl. 218) and the requisite note made in the Check Register in columns 6 and 7 under the initials of the Treasury Officer.

(iv) If it is desired that a Payment Order should be made payable at a Taluk Treasury, it should be endorsed as payable at such Treasury by the District Treasury Officer; and when the Payment Order is received back in the District Treasury with the daily "C" accounts, entries should be made in the two Registers (Forms Fl. 218 and 219) as stated above, but the daily totals of the payments made at the Taluk Treasury should not be carried to the District Treasury Cash Book.

(v) At the close of each day's transaction the abstract of daily payments (columns 9, 10 and 11) in the Check Register of Payment Orders should be filled up, the Taluk Treasury Payments being noted underneath those of the District Treasury. At the close of each month the difference between the sums of columns 4 (Amount of Payment Orders) and 11 (Daily totals of amounts paid), which represents the amount of Payment Orders remaining unpaid will be carried forward to the new month to column (4) and the words "Balance of the previous month" entered against it in column (3).

(vi) A Consolidated List of all Payment Orders cashed during each month shall be prepared at the end of the month. This list will be an extract for the month of the Register of Payment Orders cashed (Form Fl. 218) omitting the columns "To whom payable" and "Nature of Payments." The total amount of this schedule will be charged in the list of payments which it shall accompany as a single voucher, the several Payment Orders cashed forming its sub-vouchers.

(vii) Advices relating to Payment Orders which have not been paid within six months from the date of issue should be surrendered to this office and the entries made therefor in the "Check Register of Payment Orders" (Form Fl. 219) cancelled. Payment Orders presented after that period should be returned unpaid and the presenters asked to address this office.

(viii) For each half year ending with June and December, a statement should be prepared by reference to the Check Register of Payment Orders (Form Fl. 219) showing all the Payment Orders issued during the half year which remain unpaid at the end of the half year, and sent to this office.

2. These instructions will apply only to the Payment Orders issued in the new form. The existing procedure may be followed in regard to Payment Orders issued in the old form.

J. S. CHAKRAVARTI,
Comptroller.